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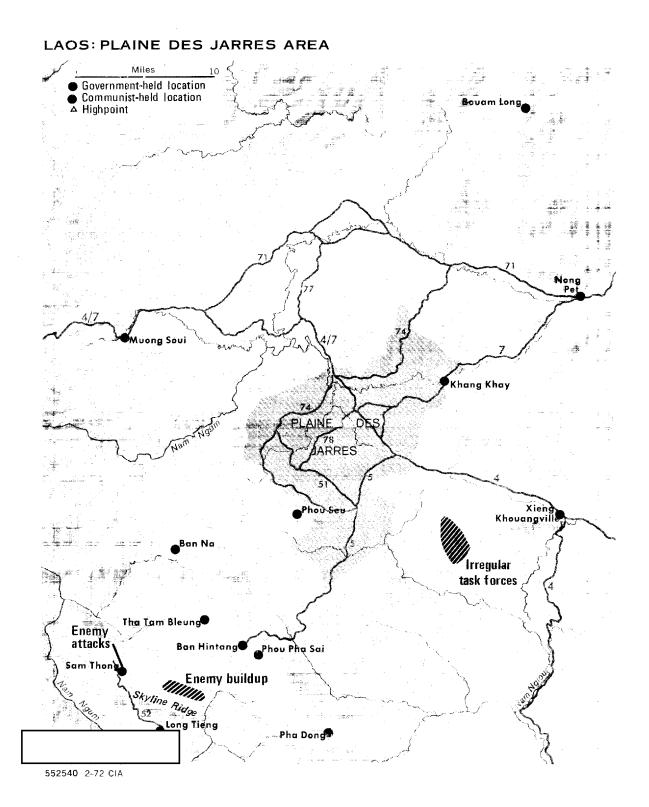
CYPRUS: The situation on the island is calm following Athens' virtual ultimatum to Makarios last Friday that he place the recent shipment of Czech arms under UN control and broaden the base of his government.

There have been no reports of unusual military moves in either Greece or Turkey, as the Turks, for the moment at least, appear willing to give Athens a free hand in trying to reassert Greek influence over Makarios. Turkey is mainly concerned that the Czech arms issue be resolved.

Makarios, who is a master in the art of intrigue and in countering political pressures, has publicly rejected the Greek demands, but has left the way open for a compromise whereby the controversial weapons might be exchanged for the removal from the island of "underground" leader retired General Grivas. Grivas is generally believed to be under Greek control. Makarios' written reply to Athens is being discussed by the Cypriot cabinet today and presumably will be carried to Athens on Wednesday when Greek Ambassador Panayotakos returns to the Greek capital.

The situation remains basically tense, however, and will be fraught with danger until the
Czech arms issue is resolved. Any move by Makarios
to distribute the arms to his personal followers
would almost certainly lead to an armed confrontation within the Greek Cypriot community. This
could easily spill over into the areas controlled
by the Turkish Cypriots and renew the threat of
Turkish intervention.

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LAOS: North Vietnamese pressure is increasing near Sam Thong, and heavier attacks in the Long Tieng area appear likely in the near future.

Irregular units just north of Sam Thong reported heavy enemy shelling on the night of 12-13 February that forced them briefly to abandon two positions. Seven irregulars were killed and ten wounded. Air observers report that during the past week the North Vietnamese have also increased their buildup near Skyline Ridge overlooking Long Tieng, and that supplies are apparently being moved from rear storage areas to the front-line units in that area in preparation for large-scale attacks.

East of Long Tieng, Vang Pao's 5,000 irregulars are located on the high ground south of Route 4 and are being resupplied. Their operation is now a week old and has met little resistance; they have not, however, uncovered any supply caches nor caused any damage to North Vietnamese rear support areas. Air observers report that Route 4 is sustaining only moderate activity and that the main Communist supply push continues to be along Route 5 on the Plaine des Jarres and its new extension southward toward the Long Tieng complex.

FINLAND: Six weeks after national elections President Kekkonen has yet to find a combination of parties willing to form a government, but he is hopeful of a breakthrough this week.

Anxious to have his domestic house in order before visiting Moscow later this month and to facilitate economic decisions that will be required soon, Kekkonen took the highly unusual step immediately after the elections of calling together the five parties he wants in the next government and putting them unofficially to work drafting a governmental program. By the time these working groups dissolved on 28 January, however, they had accomplished very little. Official negotiations began last week under Social Democratic party chairman Paasio.

The Communists, who are also making preparations for a difficult party congress late next month, have been the most cantankerous negotiators. They thus have seemed more interested in making a record popular with their constituency than in negotiating seriously. They are firmly opposing any arrangement with the European Communities and are demanding recognition of East Germany and a roll-back of recent price increases.

The other four parties, the same that formed the last government, have a parliamentary majority without the Communists. The Center and Social Democrats have yet to agree on agricultural policies, however, and this was the issue that brought down the last government.

A number of combinations for a minority government, therefore, are under consideration. But given the magnitude of the problems the next government will face, such as producing an economic stabilization program, a minority government would probably not last long. In any case, Kekkonen has no easy choice. He believes he must have a centerleft or left government acceptable to Moscow, in spite of the fact that the Finnish public elected a parliament with a non-socialist majority.

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NOTES

SUDAN: Yesterday's cabinet reshuffle was probably one more development in the seesaw conflict between a pro-Egyptian faction and a clique favoring pragmatic, Sudan-first policies that is shaking Sudan's military regime. President Numayri's dismissal and assumption of the duties of Defense Minister Abbas, who has been characterized as pro-Egyptian, may have been meant as a counterweight to the forced resignation last month of the anti-Egyptian national security chief. For the moment, Numayri is seeking to appease both feuding factions. Whatever the outcome of the conflict, however, the army remains the key to Sudan's political future.

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ROMANIA - WARSAW PACT:

Bucharest continues to oppose enlarged Romanian participation in combined Pact exercises and the conduct of such exercises on Romanian territory. Recently Soviet and Polish officials have circulated reports in Bucharest that the Romanians would moderate their obstructionist policy toward the Pact following the recent visit to Romania of the Pact commander, Soviet Marshal Yakubovsky, and last week's meeting of Pact defense ministers in East Berlin. The reiteration of Romanian policy

is probably intended to discredit these claims.

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YUGOSLAVIA: A large conference of officials will convene on 16-17 February to examine the extent of popular demoralization throughout the country following the political upheaval in Croatia in December and January. The cathering is the first of its kind to be billed as a look at Yugoslavia's political and psychological preparedness for defense. This meeting, which follows the national party conference held three weeks ago, indicates Belgrade's continuing concern over the problem of how to ensure the survival of a unified, nonaligned Yugoslavia after Tito leaves the scene.

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